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National Foreign Assessment Center

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Latin America Review

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Argentina-USSR: Improving Relations (U)

There has been a noticeable convergence of interests in recent months between Argentina and the Soviet Union, despite marked differences in their national political orientations. This trend is virtually certain to continue, regardless of US policies. [redacted] 3.5(c)

The key points of this convergence are as follows:

-- The Soviet Union, which has been one of Argentina's major trading partners in recent years, promises to be an even more important partner in 1980, when Moscow will buy most of Argentina's exportable grains. Moscow's grain purchases this year are likely to total approximately 6 million tons--more than triple the preceding year's.

-- The Soviets have discussed the supply of nuclear materials and technology with the Argentines.

-- The possibility of Soviet arms sales and training also was discussed during an exchange of military delegations last fall.

-- A protocol has been signed to allow Soviet research on fishing resources in Argentine waters.

-- Moscow is supplying technical expertise for a major Argentine hydroelectric project.

-- The two countries have supported each other in international forums, where they both have undergone harsh criticism for human rights abuses.

-- The USSR also supports Argentina in its dispute with Chile over the Beagle Channel. [redacted] 3.5(c)

The relationship with the Soviets allows Argentina to demonstrate both its increasing independence and international stature. It also provides Buenos Aires an

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opportunity to vent its irritation over US human-rights and nuclear-proliferation policies and the termination of Washington's military assistance programs. 3.5(c)

Moscow's interest in Argentina has quickened in the wake of the US grain embargo. In addition to securing access to Argentine grain and developing trade ties, the USSR is trying to exploit Argentine differences with the United States. Moscow is willing to overlook Argentina's right-wing orientation, because a better relationship with Buenos Aires would give the Soviets a foothold in an important country in a traditional US sphere of influence. 3.5(c)

Institutionally, Argentina's military government is strongly anti-Communist and, despite the fact that it is a dictatorship, it closely identifies with Western democracies. Buenos Aires appears eager to expand and improve its relations with the USSR, but, in our judgment, it has no intention of aligning ideologically or militarily with the Soviet Bloc. 3.5(c)

Expanded relations probably will be limited largely to trade, and, despite imbalances, this trade can be expected to grow. The two countries reportedly are negotiating a long-term grain agreement for a minimum of 5 million tons of grain annually for the 1981-85 period, thus further tipping the trade balance--already $350 million in Argentina's favor. 3.5(c)

The Soviets, seeking to redress this balance, will try to sell more "big ticket" items in the Argentine market, but probably without much success. They might supply additional equipment for hydroelectric power installations. The fishing protocol also could benefit them economically by providing the opening for a major fishing program in Argentine waters. The USSR, however, probably is willing to endure an adverse trade balance in order to preserve access to sizable grain and meat supplies over the next few years. 3.5(c)

It is unlikely that the Soviets will become a key supplier of military hardware, however, because the Argentines are wary of political strings that might be attached. Neither are the Argentines likely to accept the Soviet training necessary for the use of advanced weapons systems. 3.5(c)

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